https://www.financial-planning.com/news/how-financial-advisors-navigate-working-with-clients-across-the-political-spectrum

Reprinted in the September 2024 issue of *Financial Planning Magazine*:
https://www.financial-planning.com/digital-edition/september-2024

How financial advisors navigate working with clients across the political spectrum

By Rob Burgess
July 22, 2024, 5:15 p.m. EDT

With the presidential election season heating up, political divisions running through the country are becoming more pronounced.

Ideological and political differences could spur some awkward conversations between clients and their financial advisors.

But instead of shying away from these potentially fraught interactions, financial advisors say it's important to face them head-on.

Kashif A. Ahmed, founder and president of American Private Wealth in Bedford, Massachusetts, said that instead of avoiding political disagreements, he encourages such discussions.

"I tell clients and prospects that my office is a place where anything and everything can be discussed, all the taboo subjects," he said. "I have clients whose politics are polar opposites of mine, and yet we relish having a debate. Sometimes they learn something from me, and sometimes I learn from them."

This is how to answer 'How Do You Define Success?' in a job interview
Telling your interviewer that your measure of career success is getting to the end of the workday with your mental health intact probably won't cut it.
Partner Insights from Amply

Ahmed said he does not screen clients for their political views, as he does not "want to be in an echo chamber."

"If a client does not wish to discuss politics, that's fine, too," he said. "But I will say, most if not all of my clients reach out to discuss politics because they know I am well-versed and like to explain the context behind headlines."

Remind clients of long-term goals

Jeff H. Farrar, co-founder of Procyon Partnersin Lenoir City, Tennessee, said he views his job as advising clients on what they think might happen and how the markets will react, "not what I personally want to happen."

"Be rational when they are emotional," he said. "Passion is fine; it's only dangerous when it causes them to take destructive action."

Farrar said sometimes he will have calls with different clients on the same day who both say if one candidate or another becomes president, the market will crash.

"They are both talking about the other [candidate]," he said. "Politicians can make policy and add headwinds or tailwinds to sectors, but any CEO worthy of his salt will try and manage their company regardless of who is currently in office. I remind clients about that when they get too extreme."

John R. Power, a CFP with Power Plans in Walpole, Massachusetts, said he does not take potential clients' political beliefs into account before deciding whether or not to work with them.

"I consider financial planning to be apolitical, based on facts," he said.

When politics does enter into the conversation, Power said he tries to steer clients back to a shared reality while attempting to accommodate their concerns when possible.

"I wouldn't be able to figure out how to adjust a portfolio to comply with political perspectives and generally advise against that as inappropriate," he said. "We try to keep clients focused on the longer term and their goals, not some shorter-term issue. I have never 'fired' a client for their politics and that would be unlikely. I am more apt to 'fire' a client because they aren't following recommendations and are therefore wasting my valuable time and their money."

Find common ground

Ross Dugas, a former engineer and the founder and financial advisor at Scientific Financial in Pearland, Texas, said he tries to remind clients that whoever occupies The White House tends to make little impact on the stock market, especially when other factors are much more consequential.

"The market is much more impacted by major events such as 9/11, [market] bubbles, COVID-19 and the emergence of the internet, AI and other technologies," he said. "We even have graphics to reinforce these points and steer the conversation away from divisive political issues."

Ann M. Covington, a CFP with CovingtonAlsina in Annapolis, Maryland, said she believes she has more in common with her clients than not, even those who she might be opposed to politically.

"I think we all agree much more than we realize," she said. "Most Americans want the same things like good schools, safe roads, clear air and equal justice under the law. The big difference is how we look to accomplish those goals. When appropriate, I educate on policy implications. How does a specific proposed bill, regulation or legislation impact them or the greater economy? Otherwise, I look for areas where we agree."

Though she welcomes clients with differing political views, Covington said she did have one instance where a potential client worked for an organization she deeply disagreed with. But even that didn't stop her from working with them.

"Rather than reject the client, I donated their planning fee to another nonprofit," she said. "I could not morally accept what I felt was blood money. Without open dialogue, though, we can't ever expect change or a civil society, which is why I still worked with the client."